



United States Department of the Interior
Office of Valuation Services
Mountain Region

APPRAISAL REVIEW

Bureau of Land Management
Sutey Ranch Parcel (non-Federal) of the
Sutey Ranch BLM Land Exchange
Garfield County, Colorado

IVIS No. L12214

APPRAISAL REPORT PREPARED BY:

Kevin A. Chandler, MAI
Chandler Consulting
Steamboat Springs, Colorado 80477

EFFECTIVE DATE OF VALUE:

November 15, 2012

TYPE OF VALUE

Market Value

PROPERTY APPRAISED:

A total of 556.63 acres (non-Federal Sutey Ranch Parcel)
Located: T.7 S, R.88 W., Southeast portion of
Garfield County, Colorado

APPRAISAL REVIEW REPORT PREPARED BY:

Kent C. Stevens, MAI

DATE OF APPRAISAL REVIEW REPORT:

January 10, 2013



United States Department of the Interior
Office of Valuation Services
Mountain Region

January 10, 2013

Maryanne Kurtinaitis
BLM State Office
2850 Youngfield Street
Lakewood, CO 80215

Re: Review of Appraisal by Kevin A. Chandler, MAI.
BLM - IVIS No. L12214 - This is a review of an appraisal of the non-Federal Sutey Ranch Parcel of the BLM Sutey Ranch BLM Land Exchange. The parcel is located within Garfield County, Colorado. Other parcels of the exchange are located in Pitkin and Eagle Counties (IVIS No. L12214 also includes the West Crown Parcel located in Pitkin County). Those parcels and the Federal parcels are addressed in other reports and have separate reviews.

Dear Ms. Kurtinaitis:

I have reviewed the above-captioned appraisal report to determine if it is acceptable for use by the Bureau of Land Management. The effective date of the property appraisal under review is November 15, 2012.

This appraisal review report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Based on my review, I have concluded that the appraisal report that is the subject of this review is approved for use by the Bureau of Land Management.

Respectfully submitted,

Kent C. Stevens, MAI, Review Appraiser
DOI - Office of Valuation Services
12136 West Bayaud Avenue, Suite 100
Lakewood, CO 80228
(303) 969 - 5366
kent_stevens@ios.doi.gov
CO State Certification No. CG-01324531

APPRAISAL REVIEW	
ARRTS Number:	L12214
Agency Case ID:	COC-74812FD
Property Owner:	Bureau of Land Management (BLM)
Agency's Proposed Action:	Determine Market Value
Property Appraised:	556.63 acres of land in the non-Federal Sutey Ranch Parcel. These parcels are located north of the Town of Carbondale, Garfield County, Colorado
Legal Description:	T.7 South., R.88 West W., 6 th Principal Meridian, Garfield County, Colorado
Appraiser:	Kevin A. Chandler, MAI of Chandler Consulting
Real Property Interest:	Fee Simple (subject to reservations of record)
Highest and Best Use:	Rural residential development with complimentary agriculture and / recreation
Present Use:	Agriculture use
Effective Date of Value:	November 15, 2012
Date of Appraisal Report:	December 15, 2012
Date of Review Report:	January 10, 2013
Client of Review:	Office of Valuation Services (OVS)
Intended Users of Review:	Office of Valuation Services (OVS), Western Land Group, Leslie and Abigail Wexner, as represented by Gideon Kaufman, and the Bureau of Land Management (BLM)
Intended Use of Review:	Determine if use of appraisal estimate of market value is acceptable for use by BLM.
Market Value	\$5,290,000 (\$9,500 per acre as rounded for the holding)
Improvement Allocation:	N / A
Extraordinary Assumptions:	N / A
Hypothetical Conditions:	N / A

Reviewer Recommends: Approval of the appraisal report for use by the BLM.

Purpose of the Review: The purpose of this review is to evaluate compliance by the appraiser with the OVS Statement of Work (SOW), the Uniform Standards of Professional Appraisal Practice (USPAP), and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Scope of the Review: I inspected subject Sutey Ranch Parcel comprising 556.63 acres on August 23rd and November 15, 2012. The August 23rd inspection I was with Kevin Chandler and several other people from Western Land Group, BLM and representatives of different land owners. On August 22 - 23 we visited and inspected all of the properties involved with the proposed exchange and several of the comparable sales used in the report.

On November 15th I again inspected the subject site (all of the exchange parcels) with Appraiser Kevin Chandler. We were accompanied by James Sander, an OVS employee. I have been provided considerable data, maps, legal descriptions, and other information pertaining to the various subject sites involved in the proposed exchange. I have had a number of discussions with Kevin Chandler and others regarding aspects of the various appraisal problems associated with the proposed exchange. Beyond ascertaining compliance with the SOW, USPAP, and UASFLA, the reviewer read the report and verified that the correct property and property rights were valued by the Appraiser. The reviewer is relying on the factual data contained in the appraisal report in the conduct of this review assignment.

As review appraiser it is useful to appreciate the context of this specific review being one part of four separate reviews of four separate reports of the Sutey Ranch BLM Land Exchange. As shown on page 14 of the report titled SUMMARY OF APPRAISAL PROBLEMS, the exchange includes six Federal parcels and two non-Federal parcels. The six Federal Parcels are presented in two separate reports with two separate reviews. The two non-Federal parcels each have one report and there is one review for each non-Federal report.

ASSUMPTIONS AND LIMITING CONDITIONS

1. I do not authorize the out-of-context quoting from, or partial reprinting of, this review report.
2. This review report is based on information and data contained in the appraisal report, which is the subject of the review.
3. It is assumed that the data contained in the appraisal report are factual and accurate.
4. The reviewer reserves the right to reconsider the conclusions reached in this review should any new or additional information become available that contradicts the data relied upon in the appraisal report under review.
5. Unless otherwise stated, all assumptions and limiting conditions contained in the appraisal report, which is the subject of this appraisal review, are also conditions of this review.

REVIEWER'S OPINIONS, REASONS, ANALYSES, COMMENTS, AND CONCLUSIONS

a) Develop an opinion as to the accuracy and completeness of the material under review, given the reviewer's scope of work.

The appraisal report appears to be accurate and complete. The description in the report of the subject Sutey Ranch Parcel, with a total area of 556.63 acres, appears to be accurate and appropriate. The Sutey Ranch Parcel is located about three air miles north of the Town of Carbondale, in the Missouri Heights neighborhood of unincorporated Garfield County, Colorado.

Based on my review, the report complies substantially with the Statement of Work (SOW). The report does not include any Extraordinary Assumptions or Hypothetical Conditions. A definition of market was provided in the SOW and this definition was used in the appraisal report. Overall, the report is accurate and complete and complies substantially with USPAP, UASFLA, and the SOW issued for the assignment.

b) Develop an opinion as to the apparent adequacy and relevance of the data and the propriety of any adjustments to the data, given the reviewer's scope of work.

The report provided considerable information regarding the subject Sutey Ranch Parcel. The property data description and analysis was more than adequate including key items as listed below:

Larger Parcel – the three tests that must be considered are unity of ownership, unity of use, and physical contiguity. The Sutey Ranch Parcel meets all three of the tests and the Appraiser concluded that the 556.63 acre subject is a single larger parcel. Valuing the Sutey Ranch Parcel as one larger parcel is reasonable and appropriate.

The Sutey Ranch Parcel has direct and year-round vehicular access provided to the northeast corner of the subject property by Garfield County Road 112, a paved arterial that receives full winter maintenance. A private gravel road in good condition leads to the ranch headquarters. The subject property enjoys good access from a year-round public road.

Zoning and Land Use – The subject is zoned Rural (R) by Garfield County and comprises rural residential, agricultural production, and natural resources areas of the county. It provides for the use of natural resources recreational development, rural residences, and other uses. The Appraiser presents data in the Highest and Best Use section that discusses the possibility for rural residential development ranging between six to 35 acres per home site.

Highest and Best Use – is future low to medium density rural residential development (i.e., six to 35 acres per home site), with complimentary agriculture and / or recreation.

Notable property data includes:

- a) An overhead power line traverses the eastern portion of the ranch;
- b) According to county assessor records, range sites are classified with about 91 acres of irrigated hay meadows and about 466 acres of dry (non-irrigated) grazing land. The subject site includes adjudicated water rights from the Park Ditch and Reservoir Company and Consolidated Reservoir.
- c) The subject includes several existing improvements – a single-family home, homestead dwellings and outbuildings of early 1900's vintage, which are in poor physical condition and

beyond the end of their economic lives. The Appraiser concluded that since the building improvements are fully depreciated, they have zero contributory value.

The Appraiser identified four primary comparable sales (plus a recognition of the sale of the Estate of Anthony Sutey in September of 2008) with an additional four sales recognized as superior to the subject and five sales recognized as inferior and not selected as primary comparables. Each of the primary comparable sales was thoroughly analyzed including comments, photos and maps. In summary, the report contains sufficient relevant market data and appropriate analysis leading to a credible result.

c) Develop an opinion as to the appropriateness of the appraisal methods and techniques used, given the reviewer's scope of work, and develop the reasons for any disagreement.

The report describes the appraisal methodology of the three standard approaches to value and concludes that the Sales Comparison Approach was the only approach applicable to this assignment.

The Appraiser concluded there was insufficient data in the local market to make a matched-pair analysis of the sales and derive well-supported quantitative adjustments (i.e., percentage or dollar amounts) for most units of comparison. The exception is percentage adjustments for market conditions as shown on the Comparable Sales Summary and Adjustment Grid on page 43 of the report. The market conditions quantitative adjustments were developed from credible data.

The Appraiser analyzed the comparable sales data for the subject parcels using well written narrative describing the analysis used to reach an opinion of value. The appraisal process, methods, techniques and analysis used in the report analysis and discussion were appropriate and the conclusion is reasonable.

d) Develop an opinion as to whether the analyses, opinions, and conclusions are appropriate and reasonable, given the reviewer's scope of work, and develop the reasons for any disagreement.

The raw data from the four primary comparable sales indicated a range from a low of \$6,344 to a high of \$15,583 per acre. After quantitative adjustments for market conditions the range was narrower with a low of \$6,344 and a high of \$13,550 per acre. After qualitative adjustments the comparable sales indicate a market value for the subject property that would be somewhat more than \$6,344 per acre (Sale 4), slightly more than \$8,579 per acre (Sale 3), slightly less than \$10,695 per acre (Sale 2), and somewhat less than \$13,550 per acre (Sale 3). The Appraiser's opinion of the current market value of the Sutey Ranch Parcel (non-Federal) is \$9,500 per acre, with total value for the 556.63 acre holding (as a single larger parcel) calculated as follows:

556.63 Acres @ \$9,500 = \$5,287,985

Rounded - \$5,290,000

Conclusion:

The concluded value of **\$5,290,000** for the subject 556.63 acres is approved and considered appropriate and reasonable.

REVIEWER CERTIFICATION

I, the undersigned, certify that to the best of my knowledge and belief:

1. The facts and data reported by the reviewer and used in the review process are true and correct.
2. The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, impartial, and unbiased professional analysis, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of the work under review, or to the parties involved with this assignment.
5. I have not performed any services regarding the subject property within the three year period immediately preceding acceptance of the assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
8. My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) except to the extent that UASFLA requires the invocation of the USPAP's Jurisdictional Exception Rule, as described in Section D-1 of UASFLA.
9. I did personally inspect the subject property (Sutey Ranch Parcel) with contract appraiser Kevin A. Chandler, MAI, and others on August 23 and November 15, 2012; I did inspect several of the market comparables cited in the appraisal report under review; have not verified any of the factual data presented in the appraisal report reviewed.
10. No one provided significant professional assistance to the review appraiser.
11. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

Review Appraiser

Signature

Kent C. Stevens, MAI

License or Certification
Number

Colorado CG-01324531

Date Signed

Desk Review

Field Review

Date(s) of Field Review

Yes	No
	X
X	
August 23 and November 15, 2012	

REVIEWER'S QUALIFICATIONS

Kent C. Stevens, MAI
Review Appraiser, DOI, OVS
C/o Office of Valuation Services (OVS), 12136 West Bayaud Avenue, Suite 100,
Lakewood, CO 80228
Email:kent_stevens@ios.doi.gov; Telephone: (303) 969-5366; Fax: (303) 969-5503

EDUCATION:

B.S., BUSINESS MANAGEMENT, FINANCE

BRIGHAM YOUNG UNIVERSITY (BYU), Provo, Utah, 1979

Mr. Stevens has successfully completed a number of classes offered by the American Institute of Real Estate Appraisers (AI) and the American Society of Farm Managers & Rural Appraisers (ASFMRA).

EXPERIENCE:

REVIEW APPRAISER, 2003 – Present

U.S. DEPT. OF THE INTERIOR, Office of Valuation Services (OVS) – formerly Appraisal Services Directorate (ASD), Lakewood, Colorado

As Review Appraiser, Mr. Stevens is responsible for contracting and reviewing appraisals for the OVS BLM Team and other assignments as required.

APPRAISER / REVIEW APPRAISER, 1996 - 2003

NATIONAL PARK SERVICE (NPS), Lakewood, Colorado

Appraised and / or contracted and reviewed Concession improvements located within National Parks.

APPRAISER / REVIEW APPRAISER 1988 – 1996

GENERAL SERVICES ADMINISTRATION (GSA), Lakewood, Colorado

Prepared and / or contracted and reviewed RENT appraisals, prepared and / or contracted and reviewed narrative appraisals on land for expanding US Courts or new construction and for government used space including office, warehouse, etc.

STAFF APPRAISER 1986 – 1988

BUREAU OF INDIAN AFFAIRS (BIA), Billings, Montana

Appraised and / or reviewed appraisals of tribal allotments and / or building improvements located within Indian Reservations in Montana and Wyoming.

FEE APPRAISER – 1983 - 1986

BRADY APPRAISAL AND ASSOCIATES, Billings, Montana

Mr. Stevens was introduction to the appraisal industry by initially beginning as a researcher / appraisal trainee. He researched information and increasingly participated in appraising residential, commercial, industrial, and farm / ranch properties.

PROFESSIONAL DESIGNATIONS AND LICENSES:

MAI, awarded by the Appraisal Institute, April 2006

Colorado Certified General License Number: CG-01324531 awarded 1992.